

# Disciplined, Confident and a Little Stressed: Millennials Report Positive 401(k) Saving Behaviors in New Schwab Survey

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SAN FRANCISCO--([BUSINESS WIRE](#))--New research from Schwab Retirement Plan Services, Inc. shows that, despite the financial challenges they face, Millennials are taking positive steps when it comes to their saving and investing habits, especially with their 401(k)s. Not only are Millennials focused on their financial future, but they are also open to professional assistance in managing their money in the present.

Schwab's nationwide survey examined the attitudes and behaviors of 500 American workers who currently contribute to a 401(k), including those identified as Millennials (25-36 years old), Gen Xers (37-52) and Baby Boomers (53-70). It reveals that all three generations recognize the importance of the 401(k) in helping them meet their retirement savings goals, with 86 percent of Millennials, 90 percent of Gen Xers and 84 percent of Boomers considering it a "must-have" benefit.

Millennials are especially reliant on 401(k)s for the money they'll need in retirement, with 78 percent saying a 401(k) is their largest or only source of retirement income.

"It's heartening to see that saving for retirement has become a priority for so many workers, especially the youngest generation of workers, for whom retirement can seem like a lifetime away," said [Steve Anderson](#), president, [Schwab Retirement Plan Services, Inc.](#) "Our findings show that, in spite of – or perhaps because of – the financial challenges they faced as they entered the workforce, Millennials know how critical it is to keep on top of their finances today with an eye toward tomorrow."

## Staying on Track, Despite the Hurdles

The study reveals that Millennials are disproportionately affected by money-related stress. Specifically, financial stress has affected the job performance of more than a third of Millennials (35%), compared to 18 percent of Gen Xers and 11 percent of Baby Boomers. Not surprisingly, student loan debt impacts many Millennials, with 24 percent citing it as a source of financial stress.

Even in the face of those obstacles, Millennials report that they are on top of their personal finances each month. Eighty percent say they are caught up on bills and have some money left over at the end of the month.

## Putting Goals into Action

With the money they have left over each month, Millennials are taking positive steps to save and invest. A quarter (25%) say they invest that money in the stock market. Millennials are also more likely to put any extra money towards their 401(k) than older workers: 34 percent of them report doing so, compared to 20 percent of Gen Xers and 8 percent of Boomers.

Millennials are also savvy when it comes to the fees they pay for their retirement investments. Half of these younger workers (51%) say that fees influence their choice of 401(k) investments “a lot,” compared to 40 percent of Gen Xers and 38 percent of Boomers who say the same.

### **Confident Savers Who Still Want Help**

The survey reveals that, when it comes to making investment decisions on their own, more Millennials are confident than are their older counterparts. Sixty-four percent say they are very or extremely confident making investment decisions solo, compared to 47 percent of Gen Xers and 39 percent of Boomers. That said, investment confidence would skyrocket for all three generations with the added help of a financial professional. Eighty-five percent of Millennials, 73 percent of Gen Xers and 72 percent of Boomers would feel that same high level of confidence with the aid of a professional.

The survey also shows that Millennials are highly receptive to professional financial help:

- Eighty percent would like personalized investment advice for their 401(k).
- Even though they have had less time in the workforce to accumulate wealth, nearly two-thirds (64%) of Millennials feel that their financial situation warrants professional advice.
- Millennials are also very likely to take advantage of a financial wellness program at work: 93 percent say they'd use the resource.

“No matter what stage of your career you’re in, a financial professional can offer guidance to help you make the most of your retirement investments,” adds [Catherine Golladay](#), senior vice president, 401(k) Participant Services and Administration at Schwab Retirement Plan Services. “The earlier you begin to save and plan for the future, the more comfortable you’re likely to be in retirement. I’m encouraged to see so many Millennials taking ownership of their finances, and to see that they are comfortable asking for help when they need it.”

### **About the Survey**

This online survey of U.S. workers saving in a workplace 401(k) plan was conducted by Koski Research for Schwab Retirement Plan Services, Inc. Koski Research is neither affiliated with, nor employed by, Schwab Retirement Plan Services, Inc. The survey is based on 500 interviews and has a 4 percent margin of error at the 95 percent confidence level. Survey respondents worked for companies with at least 25 employees and were 25-70 years old. Survey respondents were not asked to indicate whether they had 401(k) accounts with Schwab Retirement Plan Services, Inc. All data is self-reported by study participants and is not verified or validated. Respondents participated in the survey between June 2 and June 18, 2017.

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